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The UK Press and the Deficit Debate

Introduction

On September 15 2008, Lehman Brothers filed for bankruptcy presaging the near downfall of the global financial system. Over the next eight weeks major financial institutions across the developed world were saved from bankruptcy by unprecedented state intervention. Britain's banking system came within hours of collapse on 13 October 2008 before a government bailout stabilised the sector. Crouch (2015) argues the crisis represented 'a fivefold defeat' for the neoliberal economic model:

First, the earlier success of the neoliberal economic approach could be seen as having been based in part on consumer debt. Second, it clearly disproved the economic theory that failure of deregulated finance was impossible. Third, if firms could become so large that they could not be permitted to fail, then this was not a true market economy. Fourth, state intervention of the kind required for the bank rescue contradicted the tenets of free-market doctrine. And fifth, neoliberal economies do not in theory run up high debts, but the involvement of several of them in the crisis – including Ireland, the UK and US – meant that they were found among the world's major debtor states. (Crouch, 2015: 6)

However questions about the sustainability of the 'regime of accumulation' associated with neoliberalism and finance capitalism soon receded (Jessop, 2014). Instead, the responsibility for the crisis and the fiscal burden of adjusting to increases in state deficits were shifted to the public sector and low to middle income earners (Morris, 2013). This was achieved via the introduction of austerity policies. Blyth (2013: 2) defines austerity as 'a form of voluntary deflation in which the economy adjusts through the reduction of wages, prices, and public spending to restore competitiveness, which is (supposedly) best achieved by cutting the state's budget, debts and deficits'.

This paper examines how the Press explained the deterioration in the UK's public finances during 2009 when they became a major news story and political issue. Its purpose is to explore what Clarke and Newman (2010: 300) describe as the 'intensive ideological work' required to shift the locus of the crisis from a financial to a fiscal problem. Central to this is an examination of how a particular set of institutional sources, think tanks and 'experts' influenced how the crisis was defined and managed.

However first this paper will situate the study within its sociological and economic contexts. This will involve two elements. First it will consider how neoliberalism emerged out of the crisis of capitalist profitability in the 1970s and how its rise was fostered by a set of free market think tanks. This rise, it will be noted, and the subsequent forces it unleashed created the conditions for the rise of the finance sector and the broader financialization of the economy (Epstein, 2006; Palley, 2009; Jessop, 2014). It also paved the way for the increased penetration of corporate power into the debating and making of public policy. Secondly the paper will explore the role of the press and broadcasting in these developments. This will involve an examination of both their role in selling neoliberalism and how the shift from an

industrial to a finance dominated economy changed the sociology of news production. Finally it will note how the two key groups who would have traditionally contested the shift to neoliberalism, the trade unions and the Labour Party, either vanished from the media or embraced the free market.

The Rise of Neoliberalism and British Finance Capitalism

The long boom of the 1950s and 1960s came under increasing pressure during the 1970s. Capitalism faced a number of challenges including a squeeze on profits due to the power of organised labour, a fracturing of the US centred post-war economic order, a series of oil shocks and a slowdown in productivity growth (Glyn, 2006). The response of the New Right was to radically recast the state and society along market lines and re-establish the conditions for effective capital accumulation:

Their project was to roll back the priorities of the social democratic state, with its commitments to welfare, full employment, and 'high' taxation to fund these. The state would shrink and its role would instead be to remove the 'restrictions' on the free market, to de-regulate (as with the banks) and to produce a 'flexible' labour market (which involved removing trade union powers). This would increase the mobility of capital and allow larger units to form, making money wherever possible (Philo et al, 2013: 572)

To understand the turn towards the free market it is usual to cite either the power of interests, ideas or broader historical contexts (Gamble, 1989). Certainly powerful business interests had swung behind such policies in the 1970s, due to concerns over the power of organised labour and threats to management control (Leys, 2003). Economic liberalism had initially struggled to gain a foothold in the post-war era, but had been kept alive in the Mount Pelerin Society. Later organisations such as Institute of Economic Affairs, Adam Smith Institute, Institute of Directors and the Centre for Policy Studies were critical players in the establishing the hegemony of neoliberal ideas and the dismantling the post-war Keynesian compact (Desai, 1994; Gamble, 1989; Stone, 1996). These think tanks concentrated on influencing key political actors and provided both 'a maximum agenda from which the Thatcher government could pick and choose' but also a system of 'reverse flow' where successful policy experimentation could be refined and extended (Desai, 1994: 35). Many key policies of the era including monetarism, the lifting of capital controls, 'right to buy' and restrictions on union power had originated in their study groups and publications (Desai, 1994).

These policies transformed social, political and economic institutions and both their relationships with each other and with civil society (Leys, 2003). They also shifted the economy away from manufacturing and towards financial services. As Gamble (2009) notes the rise of this sector created a new economic model, where growth became dependent on increased leverage, managed through supposedly sophisticated forms of risk pricing:

The ingenuity of the financial sector was set to work to create new ways of spreading risks, new ways of expanding credit, new ways to encourage individuals, companies

and governments to borrow, employing new devices such as financial derivatives and credit default swaps and in this way to keep spending, asset prices and jobs continuously rising. (Gamble, 2009: 15)

The finance sector also became increasingly integrated into political decision making via the revolving door between policy makers, regulators and banks leading to a situation of 'regulatory capture' (Miller and Dinan, 2009; Engelen, et. al, 2011). This was symptomatic of the broader growth of corporate power, enabled by the swing to neoliberalism, which has manifested itself in the increased prominence of corporate lobbying and the penetration of the private sector into public governance (Leys, 2003; Crouch, 2004). Corporate actors, particularly from finance, have also increasingly become, as we shall now see, key media sources who shape public debate.

The Media and Neoliberalism

The relationship between the British media and the development of neoliberalism is complex. At one level some of the key themes of neoliberalism such as its anti-government and anti-welfare rhetoric had been a regular theme of Press coverage before the election of the New Right (Golding and Middleton, 1982). The media's hostility to trade unions also predated the New Right, though the existence of a well defined industrial 'beat' did at least mean that during the 1970s, the union movement was able to secure some representation even if its perspectives were downgraded in relation to its opponents (Glasgow Media Group, 1976, 1980; Hartmann, 1975).

However the emergence of a more interventionist group of Press barons in the 1970s shifted the gravity of Fleet Street further to the right. Proprietors such as Victor Matthews, Conrad Black, and in particular Rupert Murdoch, transformed their titles into newspapers which strongly endorsed neoliberalism (Curran and Seaton, 2003; Greenslade, 2004).

The spread of neoliberal ideology in the media was also facilitated by the expansion of the public relations industry in the 1980s and 1990s (Miller and Dinan, 2000). PR was used to manage crises such as the steep rise in unemployment and conflict with trade unions (Jones, 1986; Philo, 1995a). It also played a crucial role in generating favourable news coverage for the privatisation of state assets (Miller and Dinan, 2000). Newman (1986: 144-5, cited in Miller and Dinan, 2000: 17) notes that the PR campaign for the privatization of British Telecom 'virtually captured the press' and transformed the 'pervasive doubts' of the media into headlines 'almost unanimous' in their enthusiasm. During the later floatation of BP, Philo (1995a: 211-212) found that broadcasters were 'drawn as if by invisible threads to focus on the agenda' set by the Government's PR so that coverage focused on the potential profits to shareholders whilst excluding those who argued that '80% of the population would no longer have a stake in the industry'.

The increased prominence of neoliberal ideology was also a function of the changing structure of news beats which has seen a marked increase in business and financial reporting (Duval, 2005; Peck, 2008). This shift has given more prominence to financial sector 'experts':

By the end of the 1980s, financial and City news had become central areas of media reporting, especially on television. This was one consequence of the dominance of Conservatives and their promotion of the merits of share ownership, entrepreneurs and business dealing in general. Consequently movements in the City were routinely reported and 'experts' from merchant banks and finance houses were consulted for their apparently neutral opinions on the latest trade or financial news. This gave them an important status as 'impartial' commentators (Philo, 1995b: 413)

The contemporary dominance of financial sector sources is borne out in studies of the post 2008 financial crisis which have pointed to the dominance of City voices in news accounts (e.g. Rafter, 2014; Author A, 2013).

Changes to the structure of news beats have also reduced the space available to groups who oppose neoliberalism, such as trade unions. Prior to 1979, even strongly Conservative newspapers employed three or four labour correspondents, but the decline of the industrial and labour beats in the 1980s reduced the area where union perspectives could be aired (Manning, 1999). This decline was due to both 'changes in the economic and political environment' and the 'reordering of specific power webs' as Conservative politicians sought to bypass industrial correspondents and downgrade their status (Manning, 1999: 328). Recent research has found the almost complete disappearance of trade unions from key parts of the media (Wahl-Jorgensen et. al, 2014; Author A, 2013).

However the most significant factor in the decline of voices contesting neoliberalism was the decision by the Labour Party to abandon contestation of economic policy following a series of bruising election defeats in the 1980s. The 1992 Labour manifesto contained no mention of the Conservative government's economic record and instead the party concentrated increasingly on style and image management (Philo, 1995b). Following the 1992 election defeat and the death of John Smith this process intensified with New Labour wholeheartedly embracing neoliberalism and the primacy of finance sector in the economy (Jessop, 2014).

Finally it should be noted that the unleashing of the free market changed the structure of the news industry in ways which favoured the reproduction of neoliberal ideology. In broadcasting, deregulation intensified commercial pressures which reduced the space for critical journalism and current affairs and led to news more geared to a tabloid agenda (Barnett and Seymour, 2000; Leys, 2003; Philo, 1995a). In the press, similar tendencies were visible with celebrity and consumerism displacing hard news and market pressures increasing journalism's reliance on PR (Franklin, 1997; Davies, 2009).

So far, this review has sketched out a series of interlinked sociological and economic processes. The review began by noting how a crisis of capitalist profitability in the 1970s intersected with the election of a Conservative government heavily influenced by free market think tanks. The shift to neoliberalism increased corporate power, particularly that of the financial sector, and increased its penetration into policy making and the shaping of debate in the mass media. This latter process was assisted by the emergence of a new interventionist group of Thatcherite newspaper proprietors, the use of PR by the Conservative party and the changing structure of newsbeats. Meanwhile the most significant opponent of laissez faire, the Labour party, embraced the free market. Finally the review considered how neoliberalism

changed the structure of the media industries making them more consumerist, tabloid and less amenable to critical journalism.

The paper will now present empirical data which addresses two research questions which emerge from the review. First it will identify the key sources and who framed the terms of debate over how to respond to the deficit.

Research Question 1: Who were the sources who were featured in discussion of the deficit across different parts of the UK national Press?

Secondly, the article will examine what the consequences of that pattern of source access were for how the crisis was explained to news audiences.

Research Question 2: How were the origins, consequences and potential solutions to the deficit explained to news audiences across the UK national Press?

Methodology

The sample for this study consisted of 14 days of weekday coverage in six national newspapers: *The Guardian*, *Daily Telegraph*, *Daily Mail*, *Daily Express*, *The Sun* and *The Mirror*. These newspapers were chosen on the basis that they represented all three segments of the UK national newspaper market (broadsheet, mid-market and tabloid), were high circulation and thus likely to have a broad impact on public knowledge and attitudes. *The Guardian* was chosen in preference to *The Times*, despite its lower circulation figures, because it offers a centre left counterpoint to *The Telegraph* and has a readership heavy in professionals and opinion formers. The sample period was January to August 2009. This timeframe was chosen because it was the period when the deficit became a major political issue which was covered extensively in the media. Newspaper articles were selected via the Nexis database using the search string:

- Public debt OR national debt OR government debt OR deficit OR public finances.

These searches were then sifted to leave only articles which discussed the debt and/or deficit. This search string was run for each day for the first seven months of 2009 in order to identify the peak days for coverage. The two peak days for each month were selected for the sample with the proviso that they had to come from separate weeks. If the two peak days occurred in the same week then the peak day would be sampled together with the next highest news day from another week within that month. This reduced the possibility that a newsworthy event such as the Budget would capture all the coverage for a particular month and skew the representativeness of the sample. The fourteen days sampled were January 5 and 26, February 2 and 20, March 20 and 26, April 9 and 23, May 7 and 22, June 19 and 25, July 6 and 22. In total the Nexis search captured 166 articles: 50 from the *Daily Telegraph*, 37 from the *Guardian*, 41 from the *Daily Mail*, 20 from the *Express*, 11 from the *Sun* and 7 from the *Mirror*.

This sample was subject to a thematic analysis. This is a method which has been developed by the Glasgow Media Group over more than thirty years and used to analyze such

diverse areas as industrial news, food scares, risk and war/conflict reporting (Philo, 1999; Glasgow Media Group, 1976; 1982). The method is based on the assumption that in any contested area there will be competing ways of explaining events or issues. These explanations are linked to particular interests which seek to explain the world in ways that justify their own position. The purpose of a thematic analysis is to map which explanations were featured in news accounts and which were absent. In the analysis the quantity of newstext given to different arguments was counted as was the frequency with which they appeared. The newspaper sample was also subject to a source analysis to provide a measure of who was seen as a credible voice and framed the parameters of debate.

Findings

Who gets to speak?

As previously noted the period since 1979 has seen major changes in the networks of actors structured around newsbeats. Table 1 shows the range of sources accessed by different newspapers during our sample period. Visible is what Hall et al. (2013: 61) have described as the 'systematically structured over-accessing to the media of those in powerful and privileged institutional positions'.

Table 1. Proportion of total lines of news text by source.

Source	Telegraph (%)	Guardian (%)	Mail (%)	Express (%)	Sun (%)	Mirror (%)
Labour politicians	4	21	19	19	5	44
Conservative politicians	15	14	36	29	65	24
Lib Dem politicians	8	10	0	2	0	9
International politicians	0	0	2	0	0	0
City voices	26	26	12	10	11	9
Business lobbies – Confederation of British Industry (CBI), Institute of Directors (IOD) plus business people	17	11	<1	13	5	0
Bank of England employees	<1	2	5	0	0	3
David Blanchflower	0	<1	0	0	0	3
Office for National Statistics	<1	4	2	1	3	9
Ratings agencies	2	1	<1	0	0	0
Debt Management Office	1	1	0	0	0	0
International Monetary Fund (IMF)	3	0	2	0	3	0
Institute for Fiscal Studies (IFS)	1	5	2	0	3	0
Audit Commission	<1	<1	3	0	1	0
Right wing think tanks: Taxpayers' Alliance, Adam Smith Institute, etc.	21	0	0	24	3	0
Unions	<1	4	1	1	0	0
Institute for Public Policy Research (IPPR)	0	0	1	0	0	0
Organization for Economic Co-operation and Development (OECD)	<1	0	0	0	0	0
National Institute of Economic and Social Research (NIESR)	1	0	14	0	0	0
Total lines of news text	542.75	219.25	246	72.5	37	22.5

Prominent amongst these are politicians of the two major parties, who are guaranteed access as elected representatives. More space was given over to Conservative politicians in right-wing newspapers, whilst Labour received more representation in the *Guardian* and *Mirror*. Also prominent is a particular class of commentator, the City analyst or economist, who is cited in between a quarter and a third of all articles in the broadsheets and mid market tabloids. Such sources equate to what Hall et. al. (2013:61) describe as 'experts' whose 'calling - the 'disinterested' pursuit of knowledge - not his position or his representativeness, confers on his statements 'objectivity' and 'authority'. However City experts represent a sectional interest and in their promotion of austerity they do not represent the mainstream of macroeconomic opinion (Wren-Lewis, 2015).

Table 1 also shows the prominence of other neoliberal sources such as business lobbies, the Bank of England, the IMF and the OECD. Such sources automatically receive access because of their status or because they represent an important interest group. Also visible is the Adam Smith Institute, who first formed a relationship with the *Telegraph's* editors in 1974 (Desai, 1994). Other visible right-wing think tanks included Policy Exchange and the Taxpayer's Alliance which has become the most high profile source in the right-wing and local Press, providing packaged news to overstretched journalists (Merill, 2008). The only other major think tank to appear is the National Institute of Economic and Social Research which represents the mainstream of UK macroeconomic thought.

As Hall et. al. (2013: 61) have argued the 'tendency towards ideological closure' depends on the strength and legitimacy of groups that can offer 'counter-definitions'. What the data presented shows is the almost complete lack of any left-wing or even Keynesian alternatives to the neoliberal consensus in the Press. The embrace of the free market by Labour, the disappearance of unions and lack of a major left-leaning think tank is symptomatic of both the hegemony of neoliberal ideas and the general weakness of the left (Mudge, 2013).

What caused the rise in the deficit?

The proximate cause of the large rise in the UK deficit (and debt) post 2007 was the contraction in the tax base created by the slowdown in the economy following the banking crisis in 2008 (see table 2). From the beginning of 2008 to the end of 2009, income tax fell in absolute terms by 4.5%, national insurance by 4.9%, VAT by 13.1%, corporation tax by 22.7% and stamp duty by 44% (IFS, 2012a). The sharp falls in corporation tax were concentrated in the financial sector which had become the economy's key source of corporate profits and tax revenues (Engelen et al., 2011)

However, at a deeper level, the recession and subsequent rise in the deficit, were caused by deleveraging as the private sector sought to pay down debt following the collapse of asset bubbles (Koo, 2011). This weakened consumer spending and subsequently business investment. The crisis thus presented challenge to the neoliberal growth model based on increased corporate and consumer debt.

Table 2. UK Public Accounts 2004–11 in billions.

Year	Government revenue	% change year/year	Government expenditure	% change year/year
2004	453.1	7.2	492.5	8.2
2005	486.6	7.4	523.7	6.3
2006	519.7	6.8	550.2	5.1
2007	548.0	5.4	583.2	6.0
2008	533.8	−2.6	630.3	8.1
2009	513.3	−3.8	670.4	6.4
2010	550.8	7.3	689.8	2.9
2011	570.4	3.6	693.1	0.5

Source: IFS (2012a, 2012b).

As can be seen in table 3 and 4 the deeper structural causes of the rise in the deficit do not appear in coverage. What is also clear is that information about the economy is heavily stratified by newspaper. The *Sun* and *Mirror* combined only provide 11.75 lines of explanation as to the origins of the deficit. Furthermore the *Sun* completely fails to mention the key proximate cause, the contraction in tax revenues. However the *Guardian* and the *Mail* do provide accurate accounts of the immediate causes of the rise in the deficit.

Table 3. Proportion of articles featuring explanations on the expansion of the public deficit.

Explanation	<i>Telegraph</i> (%)	<i>Guardian</i> (%)	<i>Mail</i> (%)	<i>Express</i> (%)	<i>Sun</i> (%)	<i>Mirror</i> (%)
Fall in tax revenues	12	27	42	25	0	29
Benefit bill rising in recession	8	11	17	5	0	0
Bank bailouts	10	14	24	15	18	43
Maintaining demand in recession	2	5	0	5	9	0
Labour overspending/profligacy	14	3	17	50	18	0
Global financial/economic crisis	4	3	5	0	0	0

Table 4. Proportion of news text allocated to explanations.

Explanation	<i>Telegraph</i> (%)	<i>Guardian</i> (%)	<i>Mail</i> (%)	<i>Express</i> (%)	<i>Sun</i> (%)	<i>Mirror</i> (%)
Fall in tax revenues	27	53	36	31	0	42
Bank bailouts	42	36	43	22	57	58
Benefit bill rising in recession	11	4	7	5	0	0
Maintaining demand in recession	4	3	0	1	14	0
Labour overspending/profligacy	14	4	9	41	29	0
Global financial/economic crisis	2	1	5	0	0	0
Total lines of news text	38	68.75	78.25	38	3.5	8.25

Tax revenues are being decimated by sharply contracting economic activity, declining corporate profitability, surging unemployment, markedly reduced bonus payments, the VAT cut and substantially weakened housing market activity and prices. Sharply rising unemployment is also resulting in higher benefit claims, pushing up government expenditure (*Guardian*, 20 March 2009)

There is also significant space given over to highlighting the costs involved in bailing out the banks across the newspaper sample. The false argument that the deficit was caused by Labour overspending prior to the recession was featured in the right-wing press but is largely absent from accounts in the *Guardian* and *Mirror*:

Until Gordon Brown accepts he must bring the public finances back under control ending the profligacy of recent times the Labour Government is going to face a far harder task in selling its bonds. (*Daily Mail*, 26 March 2009)

The extent of Gordon Brown's mishandling of the economy is now plain for all to see. He borrowed like a man possessed in the boom years when he should have been paying off debt. (*Express* 22 July, 2009)

As the latest figures showed yesterday the state has borrowed and spent too much (*Daily Telegraph*, 22 May 2009)

The positive case for deficit spending, that it prevented a depression, appears in only four and a half lines of newstext across all 166 articles. Across the sample explanations for the rise in the deficit are sparse. However, whilst there were few explanatory statements on the origins of the deficit the coverage took place against the backdrop of a campaign, stretching over decades, of vilification directed against the public sector for its alleged waste, inefficiency and capture by 'producer interests'. These are the arguments that Crouch (2011) notes, reflect the dominant neoliberal critique of government.

What were the consequences of a rise in the deficit?

The UK had entered the 2008 recession with an internationally and historically low public debt burden (Neild, 2010; Webb and Bardens, 2012). Furthermore, most of its debt was long dated and domestically held. Approximately 70% of UK debt was held by British individuals and pension funds, whilst the UK's average debt maturity was the longest in the developed world at 14 years as compared to four years for the US, six years for Germany and seven years for France (Aldrick, 2009). Writing in the newsletter of the Royal Economic Society, Neild commented:

Today's ratio of debt to GDP does not look abnormal, let alone alarming....Our deficit — the one figure picked out by the Chancellor — is high, but our debt to GDP is average and our tax ratio is low. Our good corruption score indicates that we are capable of raising tax or cutting expenditure...One would conclude that some action was needed, but not that there were any grounds for alarm. (Neild, 2010: 12)

A very different picture is visible in the British press. Here discussion of Britain's deficit was infused with fear appeals and apocalyptic language some examples of which are reproduced in Table 5.

Table 5. Descriptions of the public finances.

Newspaper	Descriptors of the public finances
<i>Telegraph</i>	'Debt disaster' (19 June 2009), 'horrendous fiscal burden' (23 April 2009), 'gargantuan' (23 April 2009), 'monstrous burden' (23 April 2009), 'a crisis ... almost unprecedented outside wartime' (23 April 2009), 'catastrophic' (23 April 2009)
<i>Guardian</i>	'Horrific' (23 April 2009), 'colossal black hole' (23 April 2009), 'public finances are in meltdown' (19 June 2009), 'plunging into the abyss' (23 April 2009), 'staggering levels of public debt' (20 February 2009)
<i>Mail</i>	'Borrowing needs are escalating exponentially' (26 March 2009), 'terrifying' (20 February 2009), 'the most poisonous inheritance imaginable' (23 April 2009), 'catastrophe' (23 April 2009), 'public finance bloodbath' (23 April 2009), 'titanic' (5 January 2009), 'extremely scary' (23 April 2009)
<i>Express</i>	'A full blown economic emergency' (22 July 2009), 'off the Richter scale' (20 February 2009), 'nightmarish' (23 April 2009), 'epic scale of Labour's debt crisis' (23 April 2009), 'horrific' (23 April 2009), 'the brink of meltdown' (26 January 2009)
<i>Sun</i>	'Ruinous' (26 March 2009), 'perilous' (7 May 2009), 'frightening' (7 May 2009), 'off the Richter scale' (20 February 2009), 'truly astronomical' (20 February 2009)
<i>Mirror</i>	'Extraordinary level of public debt' (25 June 2009), 'the highest amount since records began in 1993' (20 May 2009)

Table 6. Proportion of articles featuring different assessments of the deficit.

Assessment	<i>Telegraph</i> (%)	<i>Guardian</i> (%)	<i>Mail</i> (%)	<i>Express</i> (%)	<i>Sun</i> (%)	<i>Mirror</i> (%)
Unfavourable historical/international comparisons	70	59	87	95	82	57
Favourable historical/international comparisons	4	14	10	0	9	0
Deficit dangers – bankruptcy, not able to sell debt, IMF coming, interest rates will rise	70	51	73	70	91	43
Counter-arguments to deficit dangers – not going bust, can sell debt, IMF not coming, etc.	10	27	10	5	9	14

International and historical comparisons were also almost uniformly negative (see Table 6) and there were very few articles which featured the counter arguments outlined above. There are however clear patterns in that the *Guardian* featured less negative assessments and more positive ones whilst the *Express* and *Mail* and *Telegraph* were overwhelmingly negative with few balanced articles. Some coverage offered misleading or false accounts of Britain's public

debt. At the close of 2008 the national debt was 57.1% of GDP (Webb and Bardens, 2013). In 1970 it had been 70%, for the whole of the inter-war years it was well over 100% and in 1945 it was 225% (Neild, 2010). However the *Daily Mail* reported that:

The shortfall sent the national debt soaring to £799bn - a record 56.6pc of national output. (22 July 2009)

Incorrect international comparisons were also employed. In 2009 the UK's debt burden at 68.7% of GDP was lower than USA's 84.8%, Italy's 115.8% or Japan's 218.6% and was projected to remain below those countries in the foreseeable future (BBC, 2009). But the *Express* reported that:

BRITAIN will soon have the biggest national debt in the industrialised world, finance experts said last night. The International Monetary Fund warned that Treasury borrowing is on course to hit £165 billion next year. That would make the country's public debt 11 per cent of Gross Domestic Product – the highest in the G20 group of industrialised nations. (20 March 2009)

The same false claim also appeared in the *Sun*:

The International Monetary Fund forecast that by next year Britain will have the highest level of Government debt of any of the top 20 economies in the WORLD. (20 March 2009)

An even more erroneous international comparison was offered in the *Daily Mail*:

These latest official figures show that Britain's financial state is now far, far worse than countries such as Greece or Italy, which we have traditionally looked down upon and sneered at for their profligacy. Italy's indebtedness, though frightening, stands at little more than 100 per cent of GNP. Ours stands at twice that percentage and may well not be sustainable in the long term. (20 February 2009)

Other reports also drew direct analogies with struggling Eurozone economies such as Ireland, ignoring the fact that the UK retains its own central bank and currency and its debts are largely domestically held. Another dubious comparison which was repeated uncritically in all newspapers (23 April 2009) except the *Guardian* and *Mirror* was the claim that Britain would borrow more between 2009 and 2011 than all previous governments had borrowed. This claim was based on borrowing in nominal rather than real terms.

Six dangers were identified in relation to the deficit and used to justify calls for either accelerated deficit reduction or opposition to a further fiscal stimulus: Britain might lose its AAA credit rating, foreign creditors may stop buying UK gilts, sterling could fall sharply, interest rates may rise making debt servicing very expensive, the IMF may be required to bail out Britain and the UK could go bankrupt. These arguments were made primarily by City economists, right-wing think tanks and Conservative politicians but did not represent majority opinion amongst macroeconomists (Wren-Lewis, 2015). As can be seen in table 6, these arguments were used extensively in all newspapers but particularly so in the *Telegraph*,

Mail, *Express* and *Sun* whilst the *Guardian* was more likely to feature balanced articles with counter-arguments.

Table 7. Proportion of articles offering different solutions to deficit.

Solution	<i>Telegraph</i> (%)	<i>Guardian</i> (%)	<i>Mail</i> (%)	<i>Express</i> (%)	<i>Sun</i> (%)	<i>Mirror</i> (%)
Cut public spending/fiscal discipline/austerity/raise retirement age/raise VAT/raise general taxes/cut public sector pay, wages and staff	56	38	63	70	73	42
Improve efficiency in public sector	4	5	2	15	0	0
Scrap NHS computer, Quangos, ID cards, Trident	6	5	10	5	9	0
Maintain spending until recession is over	2	10	7	5	0	0
Increase income tax on high earners	2	15	7	0	0	0
Increase taxes on non-doms	2	0	0	0	0	0
Do not raise income tax on high earners	12	0	7	30	18	0
Introduce land/property/wealth/financial transaction taxes	0	3	0	0	0	0
Crack down on tax evasion/avoidance	2	8	0	0	0	0
Invest for growth – house building, etc.	0	8	0	0	0	0

The argument that Britain could go bankrupt, which had been raised by Conservative politicians, appeared in fifteen articles: five in the *Telegraph* and *Mail*, three in the *Express* and one each in the *Sun* and *Mirror*. Of these only one each in the *Mail*, *Mirror* and *Telegraph* featured balanced articles which offered competing accounts. The rest directly endorsed the idea that bankruptcy was a real possibility:

This is a time when Britain stands on the brink of bankruptcy, with the Government's debts expected to reach an unprecedented £1.5trillion. (*Daily Mail*, 5 January 2009)

Labour reverts to type and bankrupts Britain (*Daily Express*, 23 April 2009)

But Britain as a sovereign with a central bank and currency issuing powers cannot not go bankrupt because it can always print money to buy its own debt in the event of a gilt strike (Wren-Lewis, 2013; Coppola, 2013). The real danger was inflation but that was extremely unlikely during the post 2008 recession. However even newspapers which featured the most apocalyptic assessments of the public finances occasionally featured dissenting voices. For instance, Professor Ray Barrell of the National Institute of Economic and Social Research argued in the *Daily Mail* that the national debt was relatively modest in historical and international terms and that the UK had entered the recession 'in a better position than most large countries' (26 January 2009). The upshot, argued Barrell, was that the debt 'would be dealt with' and that those who warned of a possible default 'can be safely ignored'. However arguments warning of the dangers the deficit posed were much more heavily featured and directly endorsed. On a quantitative level, excluding *Guardian* coverage, arguments stressing

the grave dangers posed by the deficit appeared in 458.5 lines of newstext against 52.5 lines for the counter-narrative.

What were the policy options for dealing with the debt/deficit?

As Gamble (2009) notes there were a wide range of potential responses to the crisis from market fundamentalism through to radical anti-capitalism. There were also questions about how quickly the deficit should be reduced and whether it should be achieved via tax rises or spending cuts. As can be seen tables 7 and 8, almost all of the space given over to solutions in

Table 7. Proportion of articles offering different solutions to deficit.

Solution	Telegraph (%)	Guardian (%)	Mail (%)	Express (%)	Sun (%)	Mirror (%)
Cut public spending/fiscal discipline/austerity/raise retirement age/raise VAT/raise general taxes/cut public sector pay, wages and staff	56	38	63	70	73	42
Improve efficiency in public sector	4	5	2	15	0	0
Scrap NHS computer, Quangos, ID cards, Trident	6	5	10	5	9	0
Maintain spending until recession is over	2	10	7	5	0	0
Increase income tax on high earners	2	15	7	0	0	0
Increase taxes on non-doms	2	0	0	0	0	0
Do not raise income tax on high earners	12	0	7	30	18	0
Introduce land/property/wealth/financial transaction taxes	0	3	0	0	0	0
Crack down on tax evasion/avoidance	2	8	0	0	0	0
Invest for growth – house building, etc.	0	8	0	0	0	0

newspapers except the *Guardian* focused on calls for austerity or arguments against raising taxes on the wealthy. These accounted for 76% of the news text given over to solutions in the *Telegraph*, 81% in the *Mail*, 83% in the *Express*, and 100% in the *Sun*. Across all newspapers, austerity measures were presented as unavoidable:

The deterioration in the public finances means the winner of the next general election - which has to take place by next summer - will have no choice but to slash public spending and hike taxes. (*Daily Mail*, 22 July 2009)

Cuts and tax rises: there is no other way (*Daily Telegraph*, 25 June 2009)

We must freeze or even cut the cost of keeping six million state workers on the public payroll - or be abandoned by international creditors. There can be no sacred cows. The NHS budget has trebled in ten years. It must accept real cuts. So must every other Whitehall and town hall budget. (*Sun* 6 July 2009)

Table 8. Total number of lines of news text allocated to different solutions.

Solution	<i>Telegraph</i> (%)	<i>Guardian</i> (%)	<i>Mail</i> (%)	<i>Express</i> (%)	<i>Sun</i> (%)	<i>Mirror</i> (%)
Cut public spending/fiscal discipline/austerity/raise retirement age/raise VAT/raise general taxes/cut public sector pay, wages and staff	47	30	72	43	75	100
Improve efficiency in public sector	4	0	1	11	0	0
Scrap NHS computer, Quangos, ID cards, Trident	1	1	9	3	0	0
Maintain spending until recession is over	<1	11	5	3	0	0
Increase income tax on high earners	3	4	4	0	0	0
Increase taxes on non-doms	13	0	0	0	0	0
Do not raise income tax on high earners	29	0	9	40	25	0
Introduce land/property/wealth/financial transaction taxes	0	1	0	0	0	0
Crack down on tax evasion/avoidance	2	39	0	0	0	0
Invest for growth – house building, etc.	1	13	0	0	0	0
Total lines of news text	173	155	107.25	65.75	17	4.75

Across the right-wing press there were calls to cut public sector staff, pay and pensions because, it was argued, they were economically unavoidable and unfair on those working in the private sector:

Public sector pay must be on the table. So, in due course, must public sector pensions and staff numbers. Talking about these issues is as politically uncomfortable as it is economically unavoidable (*Telegraph*, 6 July 2009)

Clarke and Newman have suggested that the 'public sector pensions dispute of 2011-12 in particular opened up new lines of perceived inequality and blame' between private and state employees' (2012: 312) However the evidence here suggests that such fissures were being prepared beforehand as an example of how the mobilization of 'particular discourses of crisis...can open up the way for particular policy ideas to become dominant' (2010: 711)

Once again, the *Guardian* differed from other papers. At times it advocated pro-growth policies and argued that spending should not be cut until the recovery was established. It was also the only newspaper to argue that the deficit could be closed via a crackdown on tax evasion and avoidance. Excluding the *Guardian* coverage, 208.25 lines were given over to arguments in favour of austerity and against tax rises on high earners as compared to only 8.75 lines for Keynesian alternatives. Whilst the calls for austerity were well developed the arguments for stimulus appear as scattered fragments. Furthermore, the key argument that much of the deficit was cyclical and would decline naturally as the UK

came out of recession appeared in a single line in one article in the *Daily Telegraph* (2 February 2009). Alternatives to spending cuts, such as making the tax system more progressive appeared very rarely. There was no mention of introducing financial transactions taxes or abolishing the interest relief on company borrowings (Sikka, 2008; Compass, 2009; PCSU, 2009). There was a single line mentioning property taxes in a *Guardian* article which noted the 'perverse' concentration on cuts when the deficit was caused by a 'collapse in tax revenues':

It seems perverse that the current debate is all about which bits of spending should be cut rather than which taxes should be raised. There are plenty of ways to raise revenues. Darling could delay the introduction of the 50% tax rate but lower the threshold; he could prevent corporate tax avoidance by taxing companies on their turnover rather than their profits; he could deter speculative holdings of property through a land value tax. (July 22 2009)

In contrast there was considerable space in the right-wing press given over to arguments against making the tax system more progressive. These deployed claims that taxing high earners could harm entrepreneurship, investment and jobs.

It [increasing the top rate of income tax] will simply encourage tax avoidance and lead wealth-creators to reduce their effort and working hours. In the end it will raise no money, reduce economic activity and initiate a 'brain drain' of talent abroad, leaving the whole country worse off. (*Express*, 23 April, 2009)

High earners will pay a 50 per cent rate – which threatens an exodus of entrepreneurs and making foreign businessmen think twice about coming here. (*Sun*, 23 April 2009)

Such themes fit into a long tradition emphasizing the need to nurture 'enterprise culture' and not penalise the 'wealth creators'. They also work by disguising what are private interests as appeals to the common good (Philo, Miler and Graham, 2013; Gamble, 1989)

Conclusion

The meaning of crises are not pre-inscribed, instead as Clarke notes 'we are invited to perceive particular phenomena, causes, tendencies and potential routes to salvation' (2010: 383). Within the Press these are refracted through the editorial lines set down by proprietors and editors as well as the commercial, political and social factors which structure the production of news. This research has demonstrated that the key definers in the deficit debate were drawn from a narrow range of sources supportive of neoliberalism and finance capitalism. This meant that the crisis was defined as a problem of public rather than private debt, which necessitated sharp cuts to public spending.

The dominance of these perspectives is indicative of how countervailing forces to neoliberalism have been in retreat since 1979. The unions have seen their status in public debate downgraded whilst Labour, like many traditional centre-left parties in Europe has responded to the crisis with watered down versions of austerity. As Mudge (2014: 1) notes

this state of affairs 'is markedly different than the 1930s, a time in which some left parties (or factions within them) broke from economic orthodoxies and mobilised a 'new economics' that called for pro-spending, employment-boosting, reflationary policies'

At the micro level, the shift from a financial to fiscal crisis was facilitated by the long standing circulation of neoliberal discourses about the profligacy of the state sector. Arguments for austerity were couched in terms of economic necessity relying on intense fear appeals. A number of highly contested arguments about the dangers of increased state debt were featured across the right-wing press and there was little attempt to balance these with competing perspectives. There was also evidence of substantial disinformation and incorrect accounts of the UK's fiscal position, together with false comparisons with Eurozone states. Austerity as a policy received almost no critical scrutiny outside of the *Guardian* despite its poor record in practice (Blyth, 2013).

Polling shortly after the 2010 election revealed that most people who expressed an opinion blamed Labour for the deficit, saw cuts as unavoidable and thought austerity would be good for the economy (ICM, 2010). Such judgements are likely to have been influenced by discussion in the press. As this research has shown most readers will have encountered information that was both partial and misleading about the condition of the public finances and the range of options for managing the rise in public debt.

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